

**NAFI/NFI**

*creating diverse and innovative services for people*

ADMINISTRATIVE OFFICE:  
10 Harbor Street, Danvers, MA 01923  
Telephone: (978) 774-0774  
Main Fax: (978) 774-8369  
Alternate Fax: (978) 774-2262  
TTY: (978) 762-6314

October 22, 2009

FCC  
Office of the Secretary  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

**RE: Administrator's Decision on Appeal – Funding Year 2006**

Applicant Name: North American Family Institute, Inc.  
Billed Entity Number: 227033  
Form 471 Application Number: 515620  
Funding Request Number(s): 1420466, 1420479  
USAC Correspondence Dated: August 26, 2009  
CC Docket No. 02-6

In response to the Internal Control and Immaterial and Noncompliance Letter issued by Grant Thornton, LLC, dated September 29<sup>th</sup>, 2008, North American Family Institute was issued a Notification of Commitment Adjustment Letter and Administrator's Decision of Appeal – Funding Year 2006. NAFI/NFI's position, based on an additional internal review, is that our application has not resulted in funds being committed in violation of program rules.

NAFI/NFI submitted a Letter of Appeal, dated February 24<sup>th</sup>, 2009, to the Schools and Libraries Division of the Universal Service Administration Company which strongly supported NAFI/NFI's position. As a result, the appeal was partially approved. We continue to support the position that our application has not resulted in funds being committed in violation of program rules and are submitting this letter of appeal to change the decision of the appeal to approved.

The findings in the Administrator's Decision of Appeal focused on unavailable income eligibility documentation for the Wheeler Mountain Academy. I will address the income eligibility documentation issue first and secondly establish that the actual enrollment at the school supports our approved discount rate.

### **Eligibility Documentation**

The Barton Academy & Graded School, a public school in the Orleans Central Supervisory Union #35 in Orleans, Vermont, is responsible for determining eligibility for the students at the Wheeler Mountain Academy, per the guidelines published by the State Department of Education regarding eligibility determination. Please find attachment I.a, which is page 6 of the Approving Officer's Manual. This is the most recent version of the document, and the one currently available, which states "NOTE: Since the verification results must be reported by LEA (Local education agency), it is recommended that, in multiple school LEAs, application approval and management, as well as the verification process, be handled at the LEA level, rather than at each individual school." The Wheeler Mountain Academy was operating under the School District's guidance and accepted students with the eligibility determination done by the school district, in this case, the Orleans Central Supervisory Union #35. In a letter dated June 10, 2008, (Attachment I.b), the Principal of the Barton Academy outlines their record retention policy, which mandates they shred the documents after 2 years and states; "In accordance to our procedures all 2005-2006 applications have already been destroyed." We relied on the recordkeeping policies of the determining entities, assuming the Barton Academy's NSLP policy was consistent with Universal Service Program policy. It is not. In our response to the audit, we outline our procedure changes that will end this reliance, implemented the recommendations outlined, and continue to improve our program compliance.

### **Actual Enrollment**

Attachments to this letter provide concrete eligibility information for the Wheeler Mountain Academy. Attachment I.c is the support that was included in the USAC ERate application. It includes lists from both the Wheeler Mountain Academy and the Barton Academy of student eligibility. In addition, Attachment I.d is the follow-up documentation requested by the Schools and Libraries Division of USAC during the application review. In that letter, the Orleans Central Supervisory Union verifies the enrollment eligibility of the students and those percentages are consistent with the percentages used on our application. The Vermont Department of Education reports consolidated enrollment information for the two schools. Attachment I.e shows the consolidated eligibility percentages, which also are consistent with the discount percentage used on the application.

We value the review completed by Grant Thornton as an opportunity to review our processes and make changes to improve our compliance with program guidelines. Audit procedures mandate they report a material weakness. The role of interpreting the audit findings lies with USAC and ultimately, the FCC. Based on the documentation provided as attachments with this letter, NAFI/NFI's position is that we have demonstrated the correct discount percentages were used in our application and that there should be no reduction in the discount rate applied.

### **Summary**

We respectfully suggest that

- 1) The actual enrollment justifies the discount level we applied for and that was initially approved by the SLD and;
- 2) The procedural shortcomings in record retention identified in the audit have been addressed in an subsequent changes to procedures.

As a result we request that the initial funding commitments be left in place.

Please let me know if you have any questions about the material I have provided, or would like to discuss any of the opinions I have expressed.

Thank you.

A handwritten signature in black ink, appearing to read "Christopher Gagnon". The signature is fluid and cursive, with the first name "Chris" and last name "Gagnon" clearly distinguishable.

Christopher Gagnon  
NAFI/NFI Comptroller  
26 Howley Street, Peabody MA 01960  
phone: 978-882-4855  
fax: 978-774-8369  
[chrisgagnon@nafi.com](mailto:chrisgagnon@nafi.com)

**Approving Official**

The Approving Official is responsible for

- using the federal guidelines to review and approve applications submitted by families
- managing information received from cooperating agencies regarding student eligibility
- keeping an accurate list of students eligible at all times during the school year
- providing the information to the school food service program so that students can receive the benefits they are eligible for

Schools or school districts may appoint whomever they wish to be the Approving Official except for an employee of a food service management company. The applications can be approved and free and reduced price eligibility information managed separately in each school in a district or can be approved and managed centrally.

Please be sure that the person who actually is handling these tasks of approving applications and managing free and reduced price eligibility information, and can answer questions about the process, is listed as the Approving Official on the school's Child Nutrition Programs' on-line site agreement.

**Verification Official**

The Verification Official may be the same person as the Approving Official, but that is not required. The Verification Official is responsible for

- selecting the sample according to the required process
- obtaining documentation and verifying that the students are eligible for the benefits they have been approved for
- reporting the results of the verification process

**Hearing Official**

The Hearing Official is the person a parent or guardian can ask to review the case when they feel the Approving Official or Verification Official has made a mistake in denying them benefits, or approving them for reduced price, rather than free, benefits. **The Hearing Official must be a different person from the Approving Official or Verification Official.** The Hearing Official usually outranks them in the hierarchy of the organization.

**Confirming Official**

This is a new responsibility starting with the 2005-2006 school year. The Confirming Official is the person who reviews the applications selected for verification to determine whether they were originally correctly approved. If yes, the Verification Official continues with the verification for those applications. If the Confirming Official finds an error in the original approval of an application, the family is notified of the change of benefits and another application is selected for verification.

The Confirming Official must be a different person from the person who made the original determination of eligibility.

The confirming official may choose to review all applications received, not just those selected for verification.

**NOTE:** Since the verification results must be reported by LEA (Local education agency), it is recommended that, in multi-school LEAs, application approval and management, as well as the verification process, be handled at the LEA level rather than at each individual school. If centralized management is not possible, close coordination among schools is a must.

# **Barton Academy & Graded School**

1.6

June 10, 2008

To Whom It May Concern:

As per your request I am providing written documentation of our procedure for processing applications for the Federal Free and Reduced Meal Program.

Once an application is received it is first reviewed for eligibility. Once eligibility is determined we enter that data into our computer. We do not enter the financial information of our students' families into the computer system, we only track their eligibility.

After two years the original application forms are shredded for purposes of confidentiality, in accordance with Vermont Department of Education policy. In accordance with our procedures all 2005-2006 applications have already been shredded.

Sincerely




George Vana III  
Principal

1.c①

**Wheeler Mountain Academy -- Hot Lunch Program**

Student	Notes
1. Bickford, Zebulon	FREE
2. Bickford, Nathan	FREE
3. Davignon, Robert	FREE
4. Michelin, James	FREE
5. Tetreault, Riley	FREE
6. Perry, Cory	FREE
7. Cochran, Amanda	FREE
8. Delzio, Kayia	Not eligible
9. Sylvester, Keith	FREE
10. Letourneau, Jonathon	FREE
11. Johnson, Erika	Not eligible
12. Dean, Christopher	Not eligible
13. Collier, Paige	Not eligible
14. McAlister, Bethany	FREE
15. Truskowski, Joseph	FREE
16. Bernard, Larry	FREE
17. Blanco, Mark	FREE
18. Paquin, Jasmin	FREE
19. Nelson, David	Not eligible

  
Harmony Harriman  
WMA Program Director  
November 14, 2005

# **Barton Academy & Graded School**

1.c②

## **WHEELER MOUNTAIN ACADEMY SCHOOL YEAR 2005-2006**

### **STUDENTS ELIGIBLE FOR FREE LUNCH/BREAKFAST PROGRAM:**

Bernard, Larry  
Bickford, Nathan  
Bickford, Zeb  
Blanc, Mark  
Cochran, Amanda  
Collins, Doug  
Davignon, Robert  
Dean, Chris  
Larocque, Amanda  
Letourneau, Jon  
McAllister, Beth  
Nelson, David  
Paquin, Jasmine  
Perry, Cory  
Pickle, Max  
Pray, Brian  
Racicot, Rodney  
Sylvester, Keith  
Tetreault, Riley  
Truszkowski, Joseph  
Wilson, Everett

### **STUDENTS ELIGIBLE FOR REDUCED LUNCH/BREAKFAST PROGRAM:**

Collier, Paige  
White, Zach

### **STUDENTS WHO APPLIED AND WERE NOT ELIGIBLE:**

Michelin, James  
Delzio, Kayla  
Johnson, Erika

ORLEANS CENTRAL SUPERVISORY UNION

RONALD PAQUETTE

Superintendent

Susan Watson

Business Manager

HOLLY PRESTON

Director Special Services

KATHRYN CONVERSE

Curriculum/Assessment Coordinator

IRENE LeBLANC

Admin/Payroll Manager

KRYSTAL INGALLS

Secretary/Receptionist

JESSICA BURDICK

Accounts Payable

NANCY ROBERTS

Secretary/Medicaid Clerk

HEATHER WRIGHT

Human Resources/Asst. Payroll

December 8, 2006

Ms. Maria Donawa  
Schools and Libraries Division  
Program Integrity Assurance

Dear Ms. Donawa,

This letter is to provide a snapshot of student attendance and student eligibility for the National School Lunch Program on a specific day at Wheeler Mountain Academy.

On Tuesday, December 5<sup>th</sup> there were 17 students in attendance at Wheeler Mountain Academy out of a total of 20 students. Out of the 17 who were in attendance, 15 students met the income eligibility guidelines of the NSLP for free or reduced meals.

Out of the 20 students enrolled on that particular day, 17 students met the income eligibility guidelines of the NSLP for free or reduced meals.

Sincerely,

*Ronald D. Paquette, Ed.D.*

Ron Paquette, Ed.D.  
Orleans Central Supervisory Union #34  
Superintendent of Schools



**Vermont Department of Education  
Food and Nutrition Management  
Eligibility Report for Fiscal Year: 2006**

**Barre Town School District - T012**

Building Name	Address	Grades	Free Lunch	Redc Lunch	Enroll	% Low Income
Barre Town Elementary and Middle School	70 Webster Ave Rd Barre 05641	K,1,2,3,4,5,6,7,8	136	40	922	19.09%
<b>Totals:</b>	<b>Barre Town School District</b>		<b>136</b>	<b>40</b>	<b>922</b>	<b>19.09%</b>

**Barstow School District - J048**

Building Name	Address	Grades	Free Lunch	Redc Lunch	Enroll	% Low Income
Barstow Memorial School	223 Chittenden Road Chittenden 05737	K,1,2,3,4,5,6,7,8	35	7	286	14.89%
Leicester Central School	68 Schoolhouse Road Leicester 05733	K,1,2,3,4,5,6	23	8	72	43.06%
Lothrop school	3447 US Route 7 Pittsford 05763	K,1,2,3,4,5,6	50	13	227	27.75%
<b>Totals:</b>	<b>Barstow School District</b>		<b>108</b>	<b>28</b>	<b>585</b>	<b>23.25%</b>

**Barton ID Town School District - T013**

Building Name	Address	Grades	Free Lunch	Redc Lunch	Enroll	% Low Income
Barton Graded School	137 Church Street Barton 05822	P,K,1,2,3,4,5,6,7,8,9,10,11,12	88	23	174	63.78%
COFEC HeadStart	130 Kinsay Road Barton 05822	U,H,P	20	1	32	65.63%
<b>Totals:</b>	<b>Barton ID Town School District</b>		<b>108</b>	<b>24</b>	<b>206</b>	<b>64.08%</b>

**Bellows Free Academy St Albans - U048**

Building Name	Address	Grades	Free Lunch	Redc Lunch	Enroll	% Low Income
BFA St Albans	71 South Main Street St. Albans 05478	9,10,11,12	159	57	1,179	18.32%
<b>Totals:</b>	<b>Bellows Free Academy St Albans</b>		<b>159</b>	<b>57</b>	<b>1,179</b>	<b>18.32%</b>